

Senate File 53

S-3003

Amend Senate File 53 as follows:

1. By striking everything after the enacting clause and inserting:

DIVISION I

TAXPAYERS TRUST FUND

<Section 1. Section 8.54, subsection 5, Code 2013, is amended by striking the subsection.

Sec. 2. Section 8.55, subsection 2, Code 2013, is amended to read as follows:

2. The maximum balance of the fund is the amount equal to two and one-half percent of the adjusted revenue estimate for the fiscal year. If the amount of moneys in the Iowa economic emergency fund is equal to the maximum balance, moneys in excess of this amount shall be distributed as follows:

~~a. The first sixty million dollars of the difference between the actual net revenue for the general fund of the state for the fiscal year and the adjusted revenue estimate for the fiscal year shall be transferred to the taxpayers trust fund.~~

~~b. The remainder of the excess, if any, shall be transferred to the general fund of the state.~~

Sec. 3. Section 8.57E, subsection 2, Code 2013, is amended to read as follows:

2. Moneys in the taxpayers trust fund shall only be used pursuant to appropriations or transfers made by the general assembly for tax relief.

Sec. 4. Section 8.58, Code 2013, is amended to read as follows:

**8.58 Exemption from automatic application.**

1. ~~To the extent that moneys appropriated under section 8.57 do not result in moneys being credited to the general fund under section 8.55, subsection 2,~~ Moneys appropriated under in section 8.57 and moneys contained in the cash reserve fund, rebuild Iowa infrastructure fund, environment first fund, Iowa economic emergency fund, and taxpayers trust fund shall not be considered in the application of any formula, index, or other statutory triggering mechanism which would affect appropriations, payments, or taxation rates, contrary provisions of the Code notwithstanding.

2. ~~To the extent that moneys appropriated under section 8.57 do not result in moneys being credited to the general fund under section 8.55, subsection 2,~~ Moneys appropriated under in section 8.57 and moneys contained in the cash reserve fund, rebuild Iowa infrastructure fund, environment first fund, Iowa economic emergency fund, and taxpayers trust fund shall not be considered by an arbitrator or in negotiations under chapter 20.

1     Sec. 5. EFFECTIVE UPON ENACTMENT. This division of  
2 this Act, being deemed of immediate importance, takes  
3 effect upon enactment.

4     Sec. 6. RETROACTIVE APPLICABILITY. This division  
5 of this Act applies retroactively to July 1, 2012, to  
6 moneys attributed to fiscal years beginning on or after  
7 July 1, 2012.

8                             DIVISION II

9             IOWA TAXPAYERS TRUST FUND TAX CREDIT

10    Sec. 7. TAXPAYERS TRUST FUND — IOWA TAXPAYERS  
11 TRUST FUND TAX CREDIT TRANSFER. During the fiscal  
12 year beginning July 1, 2013, there is transferred from  
13 the taxpayers trust fund created in section 8.57E to  
14 the Iowa taxpayers trust fund tax credit fund created  
15 in section 422.11E, an amount equal to the sum of  
16 the balance of the taxpayers trust fund as determined  
17 after the close of the fiscal year beginning July 1,  
18 2012, and ending June 30, 2013, including the amount  
19 transferred for that fiscal year to the taxpayers trust  
20 fund from the Iowa economic emergency fund created  
21 in section 8.55 in the fiscal year beginning July 1,  
22 2013, and ending June 30, 2014, to be used for the Iowa  
23 taxpayers trust fund tax credit in accordance with  
24 section 422.11E, subsection 5.

25    Sec. 8. Section 257.21, Code 2013, is amended to  
26 read as follows:

27         **257.21 Computation of instructional support amount.**

28         1. The department of management shall establish  
29 the amount of instructional support property tax to be  
30 levied and the amount of instructional support income  
31 surtax to be imposed by a district in accordance with  
32 the decision of the board under section 257.19 for  
33 each school year for which the instructional support  
34 program is authorized. The department of management  
35 shall determine these amounts based upon the most  
36 recent figures available for the district's valuation  
37 of taxable property, individual state income tax  
38 paid, and budget enrollment in the district, and shall  
39 certify to the district's county auditor the amount of  
40 instructional support property tax, and to the director  
41 of revenue the amount of instructional support income  
42 surtax to be imposed if an instructional support income  
43 surtax is to be imposed.

44         2. The instructional support income surtax shall  
45 be imposed on the state individual income tax for the  
46 calendar year during which the school's budget year  
47 begins, or for a taxpayer's fiscal year ending during  
48 the second half of that calendar year and after the  
49 date the board adopts a resolution to participate  
50 in the program or the first half of the succeeding

1 calendar year, and shall be imposed on all individuals  
2 residing in the school district on the last day of  
3 the applicable tax year. As used in this section,  
4 "*state individual income tax*" means the taxes computed  
5 under section 422.5, less the amounts of nonrefundable  
6 credits allowed under chapter 422, division II, except  
7 for the Iowa taxpayers trust fund tax credit allowed  
8 under section 422.11E.

9 Sec. 9. NEW SECTION. 422.11E Iowa taxpayers trust  
10 fund tax credit.

11 1. For purposes of this section, unless the context  
12 otherwise requires:

13 a. "*Eligible individual*" means, with respect to  
14 a tax year, an individual who makes and files an  
15 individual income tax return pursuant to section  
16 422.13. "*Eligible individual*" does not include  
17 an estate or trust, or an individual for whom an  
18 individual income tax return was not timely filed,  
19 including extensions.

20 b. "*Unclaimed tax credit*" means, with respect to  
21 a tax year, the aggregate amount by which the Iowa  
22 taxpayers trust fund tax credits that were eligible to  
23 be claimed by eligible individuals, if any, exceeds the  
24 Iowa taxpayers trust fund tax credits actually claimed  
25 by eligible individuals, if any.

26 2. The taxes imposed under this division, less the  
27 credits allowed under this division except the credits  
28 for withheld tax and estimated tax paid in section  
29 422.16, shall be reduced by an Iowa taxpayers trust  
30 fund tax credit to an eligible individual for the tax  
31 year beginning January 1 immediately preceding July 1  
32 of any fiscal year during which a transfer, if any, is  
33 made from the taxpayers trust fund in section 8.57E to  
34 the Iowa taxpayers trust fund tax credit fund created  
35 in this section.

36 3. The credit shall be equal to the quotient of  
37 the amount transferred to the Iowa taxpayers trust  
38 fund tax credit fund in the applicable fiscal year,  
39 divided by the number of eligible individuals for the  
40 tax year immediately preceding the tax year for which  
41 the credit in this section is allowed, as determined  
42 by the director of revenue in accordance with this  
43 section, rounded down to the nearest whole dollar. The  
44 department of revenue shall draft the income tax form  
45 for any tax year in which a credit will be allowed  
46 under this section to provide the information and space  
47 necessary for eligible individuals to claim the credit.

48 4. Any credit in excess of the taxpayer's liability  
49 for the tax year is not refundable and shall not be  
50 credited to the tax liability for any following year

1 or carried back to a tax year prior to the tax year in  
2 which the taxpayer claims the credit.

3 5. a. There is established within the state  
4 treasury under the control of the department an Iowa  
5 taxpayers trust fund tax credit fund consisting of any  
6 moneys transferred by the general assembly by law from  
7 the taxpayers trust fund created in section 8.57E for  
8 purposes of the credit provided in this section. For  
9 the fiscal year beginning July 1, 2013, and for each  
10 fiscal year thereafter, the department shall transfer  
11 from the Iowa taxpayers trust fund tax credit fund  
12 to the general fund of the state, the lesser of the  
13 balance of the Iowa taxpayers trust fund tax credit  
14 fund or an amount of money equal to the Iowa taxpayers  
15 trust fund tax credits claimed in that fiscal year, if  
16 any. Any moneys in the Iowa taxpayers trust fund tax  
17 credit fund which represent unclaimed tax credits shall  
18 immediately revert to the taxpayers trust fund created  
19 in section 8.57E. Interest or earnings on moneys in  
20 the Iowa taxpayers trust fund tax credit fund shall be  
21 credited to the taxpayers trust fund created in section  
22 8.57E.

23 b. The moneys transferred to the general fund of  
24 the state in accordance with this subsection shall not  
25 be considered new revenues for purposes of the state  
26 general fund expenditure limitation under section 8.54  
27 but instead as replacement of a like amount included in  
28 the expenditure limitation for the fiscal year in which  
29 the transfer is made.

30 Sec. 10. Section 422D.2, Code 2013, is amended to  
31 read as follows:

32 **422D.2 Local income surtax.**

33 A county may impose by ordinance a local income  
34 surtax as provided in section 422D.1 at the rate set  
35 by the board of supervisors, of up to one percent,  
36 on the state individual income tax of each individual  
37 residing in the county at the end of the individual's  
38 applicable tax year. However, the cumulative total of  
39 the percents of income surtax imposed on any taxpayer  
40 in the county shall not exceed twenty percent. The  
41 reason for imposing the surtax and the amount needed  
42 shall be set out in the ordinance. The surtax rate  
43 shall be set to raise only the amount needed. For  
44 purposes of this section, "*state individual income tax*"  
45 means the tax computed under section 422.5, less the  
46 amounts of nonrefundable credits allowed under chapter  
47 422, division II, except for the Iowa taxpayers trust  
48 fund tax credit allowed under section 422.11E.

49 Sec. 11. **EFFECTIVE UPON ENACTMENT.** This division  
50 of this Act, being deemed of immediate importance,

1 takes effect upon enactment.

2 Sec. 12. RETROACTIVE APPLICABILITY. This division  
3 of this Act applies retroactively to January 1, 2013,  
4 for tax years beginning on or after that date.>

5 2. Title page, by striking lines 1 through 5 and  
6 inserting <An Act relating to the taxpayers trust fund  
7 by modifying the transfer of moneys from the Iowa  
8 economic emergency fund to the taxpayers trust fund,  
9 allowing transfers from the taxpayers trust fund,  
10 creating an Iowa taxpayers trust fund tax credit and  
11 fund and providing for the transfer of moneys from the  
12 taxpayers trust fund for purposes of the credit, and  
13 including effective date and retroactive>

14 3. By renumbering as necessary.

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